

AMENDED IN SENATE MARCH 27, 2006

**SENATE BILL**

**No. 1416**

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**Introduced by Senator Battin**

February 22, 2006

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An act to add ~~Section 43013.4~~ *Sections 43013.6 and 43013.7* to the Health and Safety Code, relating to gasoline.

LEGISLATIVE COUNSEL'S DIGEST

SB 1416, as amended, Battin. Air resources: gasoline supply.

*Existing law establishes the Air Pollution Control Fund in the State Treasury and provides that, upon appropriation, the money in the fund shall be available to the State Air Resources Board to carry out its duties and functions.* Existing law requires the ~~State Air Resources Board~~ state board to ensure that regulations adopted for California Phase 3 Reformulated Gasoline (CaRFG) meet specified requirements.

This bill would request the University of California to conduct a study on, ~~among other things,~~ the impact of allowing gasoline that does not comply with CaRFG standards to be used in the state. ~~The bill would require the University of California to study,~~ including the impact of allowing gasoline that does not comply with CaRFG on the price of gasoline, air quality, and other environmental concerns, and ~~to study~~ the methods of importing and providing gasoline that do not comply with CaRFG standards.

*This bill would also provide that any gasoline approved for sale in California by the federal Environmental Protection Agency may be imported into, and sold in, this state. The bill would require the state board to impose an 8¢ per gallon fee on any importer of any federally approved gasoline imported into this state for sale that does not*

*comply with the CaRFG standards, and on any producer located in this state of any federally approved gasoline produced in the state for use in the state that does not comply with CaRFG standards. The bill would require that all revenue received from the fee to be deposited in the Clean Gasoline Account, that would be created by the bill, in the Air Pollution Control Fund. Under the bill, the money in the account would be available to the state board, upon appropriation, to reduce air pollution caused by motor vehicle emissions. The bill would specify that if the federal Environmental Protection Agency implements air pollution standards on gasoline that are more stringent than the CaRFG standards, no fee would be imposed on gasoline producers under this bill. The bill would become operative on July 1, 2007.*

Vote: majority. Appropriation: no. Fiscal committee: yes.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section ~~43013.4~~ 43013.6 is added to the Health
- 2 and Safety Code, to read:
- 3 ~~43013.4.~~
- 4 43013.6 The Legislature requests that the University of
- 5 California conduct a study providing all of the following:
- 6 (a) An examination of the impact of allowing the use of
- 7 gasoline that does not comply with California Phase 3
- 8 Reformulated Gasoline Standards (CaRFG) on gasoline prices in
- 9 the state.
- 10 (b) *An estimate of the volume of gasoline that would likely be*
- 11 *imported pursuant to Section 43013.7.*
- 12 ~~(b)~~
- 13 (c) A review of the potential transportation methods for
- 14 importing gasoline that does not comply with CaRFG into this
- 15 state, and the potential environmental impacts of that
- 16 transportation.
- 17 ~~(e)~~
- 18 (d) *An estimate of the length of time gasoline described in this*
- 19 *section would likely be imported into the state pursuant to this*
- 20 *section.*
- 21 ~~(d)~~

1 (e) An analysis of the impact that the use of gasoline that does  
2 not comply with CaRFG would have on air quality in the state.

3 ~~(e)–~~

4 (f) An examination of whether the use of gasoline that does  
5 not comply with CaRFG should be limited to specific geographic  
6 regions of the state, or limited to specific times of year.

7 ~~(f)–~~

8 (g) An examination of the impact that the use of gasoline that  
9 does not comply with CaRFG would have on late-model cars,  
10 specifically analyzing the harm to catalytic converters, and any  
11 resulting environmental impact.

12 ~~(g)–~~

13 (h) An analysis of potential emission offsets under existing  
14 emission reduction purchase programs, and an identification and  
15 analysis of those elements that would be necessary for the  
16 operation of a new emission reduction purchase program for  
17 mobile sources that use gasoline that does not comply with  
18 CaRFG.

19 (i) *An examination of the adequacy of the fee imposed by*  
20 *Section 43013.7, based on a comparison of the estimated total*  
21 *funds raised by the fee to the costs of any pollution reduction*  
22 *purchases.*

23 ~~(h)–~~

24 (j) Methods of providing gasoline that does not comply with  
25 CaRFG to independent service stations in order to assist those  
26 stations in competing in the gasoline marketplace.

27 *SEC. 2. Section 43013.7 is added to the Health and Safety*  
28 *Code, to read:*

29 *43013.7. (a) Any gasoline approved for sale in California by*  
30 *the federal Environmental Protection Agency pursuant to the*  
31 *federal Clean Air Act (42 U.S.C. Sec. 7401 et seq.) may be*  
32 *imported into, and sold in, this state.*

33 *(b) The state board shall impose an eight cent (\$0.08) per*  
34 *gallon fee on both of the following:*

35 *(1) Any importer of gasoline imported into this state for sale*  
36 *pursuant to subdivision (a) that does not comply with the*  
37 *California Phase 3 Reformulated Gasoline standards adopted by*  
38 *the state board.*

39 *(2) Any producer located in California that produces gasoline*  
40 *for use in the state that does not comply with the California*

1 *Phase 3 Reformulated Gasoline standards adopted by the state*  
2 *board.*

3 *(c) The fee imposed pursuant to subdivision (b) shall be*  
4 *imposed on the importer or producer, as applicable, of the*  
5 *gasoline and shall be remitted to the state board on a monthly*  
6 *basis.*

7 *(d) All revenue received from the fee imposed pursuant to this*  
8 *section shall be deposited in the Clean Gasoline Account, which*  
9 *is hereby created in the Air Pollution Control Fund. Upon*  
10 *appropriation, the money in the account shall be available to the*  
11 *state board to reduce air pollution caused by motor vehicle*  
12 *emissions.*

13 *(e) If the federal Environmental Protection Agency implements*  
14 *air pollution standards on gasoline that are more stringent than*  
15 *those implemented by the state board, the fee described in*  
16 *subdivision (b) shall not be imposed on any producer of gasoline.*

17 *SEC. 3. This act shall become operative on July 1, 2007.*